

October 15, 2021

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FILED ELECTRONICALLY

The Honorable Jocelyn G. Boyd Clerk **South Carolina Public Service Commission**

Post Office Drawer 11649 Columbia, South Carolina 29211

RE: Request of Gentle Giant Moving Company (NC), LLC, dba Gentle Giant Moving & Storage, to Amend its Tariff

Docket No. 2021-269-T

Dear Jocelyn:

I write on behalf of Gentle Giant Moving Company (NC), LLC, dba Gentle Giant Moving & Storage ("Gentle Giant") to explain the reasons for Gentle Giant's requested changes to its Tariff ("Request").

The Commission approved Gentle Giant's present tariff over three (3) years ago on July 18, 2018, in Order 2018-450, Docket No. 2018-122-T.

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Gentle Giant's Request proposes increases in its hourly charges.

Type of Move	Current	Proposed	% Change
	Rate	Rate	
Off-Season (October-March) Weekdays			
(Monday-Thursday)			
One Mover	\$70/hr	\$80/hr	14%
Two Movers	\$110/hr	\$130/hr	18%
Three Movers	\$160/hr	\$180/hr	13%
Each Additional Mover	\$45/hr	\$50/hr	11%
Each Additional Truck	\$20/hr	\$30/hr	50%
Off-Season (October-March) Weekend			
(Friday-Sunday)			
One Mover	\$85/hr	\$95/hr	12%
Two Movers	\$125/hr	\$145/hr	16%
Three Movers	\$185/hr	\$195/hr	5%
Each Additional Mover	\$45/hr	\$50/hr	11%
Each Additional Truck	\$20/hr	\$30/hr	50%
On-Season (April-September) Weekdays			
(Monday-Thursday)			
One Mover	\$85/hr	\$95/hr	12%
Two Movers	\$125/hr	\$145/hr	16%
Three Movers	\$185/hr	\$195/hr	5%
Each Additional Mover	\$45/hr	\$50/hr	11%
Each Additional Truck	\$20/hr	\$30/hr	50%
On-Season (April-September) Weekend			
(Friday-Sunday)			
One Mover	\$85/hr	\$95/hr	12%
Two Movers	\$125/hr	\$145/hr	16%
Three Movers	\$185/hr	\$195/hr	5%
Each Additional Mover	\$45/hr	\$50/hr	11%
Each Additional Truck	\$20/hr	\$30/hr	50%

Numerous flat-rate charges for various items remain unchanged in the Company's tariff.

General Cost Increases

The proposed rates are appropriate based on increases in Gentle Giant's operating costs (including labor costs) that have taken place over the last three years. Generally, costs have increased significantly during that time. In 2018, the U.S. economy's inflation rate was 1.9%; in 2019 it rose to 2.3%; in 2020 it was 1.4%; and in 2021 it rose to 5.4%. The aggregate effect of

¹ US Inflation Calculator, <u>https://www.usinflationcalculator.com/inflation/current-inflation-rates/</u> (September 7, 2021).

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inflation means that \$1.00 in July of 2018 has the same buying power as \$1.09 in September of 2021.²

Labor Cost Increases

The unemployment rate in the Charlotte Metropolitan Statistical Area, where Gentle Giant's office is located, was 4.3% in August 2021, demonstrating a high demand for labor. Gentle Giant's wage costs have increased substantially over the last three years, as shown by the following table:

Time Period	Starting Wage-	Starting Wage-	Average Wage Rate for 5 Years
	Driver	Chief	
2018	\$12.50/hour	\$14.50/hour	\$18-\$20/hour
2021	\$14.00hour	\$17.00/hour	\$22-\$24/hour
% Change from	12%	17%	22%-20%
2018-2021			

Additionally, Gentle Giant has an employee turnover rate of approximately 50%. Due to that high employee turnover rate and the low unemployment rate referenced above, Gentle Giant's recruiting costs have tripled, dramatically increasing the Company's overall hiring costs.

Since May of 2020, Gentle Giant has provided all its employees additional COVID pay of \$3 per hour. Gentle Giant has provided this pay retroactively after each quarter. All of Gentle Giant's employees are offered health insurance after 90 days of employment and automatically receive short-term disability (STD) at no cost.

COVID Response and Mitigation Costs

Gentle Giant has also been spending considerable amounts on COVID response and mitigation (keeping all employees supplied with masks, disinfectant, etc.). In addition, if a Gentle Giant employee is ill, the company pulls all movers working with that individual and sends them for testing paid for by Gentle Giant. Moreover, Gentle Giant must follow new OSHA guidance requiring weekly testing of unvaccinated employees. That requirement applies because Gentle Giant has over 100 employees company-wide.

Gentle Giant anticipates these COVID-related costs will continue for the foreseeable future.

US CPI Inflation Calculator, https://www.bls.gov/data/inflation_calculator.htm

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Vehicle Cost Increases and Equipment Unavailability

Gentle Giant's vehicle costs, leases, and all ancillary costs have also increased during this timeframe due to market demands. Gentle Giant cannot rent trucks at any price because there are not enough trucks available.

Current and Ongoing Demand for Moves

Gentle Giant is booked out six (6) weeks in advance for moves, and has been operating that way since March of 2020. Gentle Giant has experienced no slowdown in the off-season (which has historically been the case). Gentle Giant is turning away potential moves every day.

Additionally, Gentle Giant would note that the "Maximum Rate Tariff" that governs its North Carolina operations allows Gentle Giant to charge rates that are comparable (and as a general matter higher) than those proposed by Gentle Giant for its South Carolina tariff. In North Carolina Gentle Giant has the flexibility to adjust rates below those maximums, and does so based on market conditions.

Conclusion

The rate increases sought in the Request are justified because of the increased costs and market conditions described above. Gentle Giant requests that the Commission consider this request soon. If you have questions or need additional information, please contact me.

Sincerely,

s/ John J. Pringle, Jr. John J. Pringle, Jr.

JJP/cr

cc: Ms. Lisa Rivard (via electronic mail service)

Office of Regulatory Staff (via electronic mail service)

Enclosures

BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA DOCKET NO. 2021-269-T

Request of Gentle Giant Moving Company)	
(NC), LLC dba Gentle Giant Moving & Storage,)	CERTIFICATE OF SERVICE
to Amend its Tariff, Certificate Number 9849)	

This is to certify that I have served one (1) copy of Letter to Jocelyn G. Boyd addressed:

VIA ELECTRONIC MAIL SERVICE

Benjamin P. Mustian, Esquire
Nicole M. Hair, Esquire
Office of Regulatory Staff
Legal Department
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s/ John J. Pringle, Jr. John J. Pringle, Jr.

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